SEALED

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

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CLERK, US DISTRICT COURT
WESTERN DISTRICT OF TEXAS

UNITED STATES OF AMERICA,	CRIMINAL NO. SA11CR0062FB
Plaintiff,	INDICTMENT
VS.	[Violation: 18 U.S.C. § 1349, Conspiracy - Counts 1&2;
PATRICK G. MIRE,	Violation: 18 U.S.C. § 1341, Mail Fraud - Counts 3-24;
Defendant.	Violation: 18 U.S.C. § 1956(h), Money Laundering Conspiracy - Count 25; Violation: 18 U.S.C. § 1957, Money Laundering - Counts 26 - 29; and Notice of United States of America's Demand for Forfeiture.]

THE GRAND JURY CHARGES:

INTRODUCTION:

At times relevant to this indictment within the Western District of Texas and elsewhere:

A. **The Scope and Objects of the Conspiracies and the Scheme and Artifice to Defraud**

As set forth more fully below, from at least 2002 through at least 2007, Defendant PATRICK G. MIRE ("MIRE"), as president, general manager, and in other capacities, through Professional Employer Organizations ("PEOs"), and not acting alone, but together with other persons, known and unknown to the grand jury, unlawfully and with intent to defraud and to corruptly obtain money, did adopt, devise and carry out *Conspiracies* and a *Scheme and Artifice to Defraud*, all collectively referred to herein as the *scheme*. Specifically, MIRE through PEOs, which he owned or managed, and assisted in the management thereof, entered into *staff leasing agreements* with client companies (the "clients"). These agreements obligated the PEOs and

MIRE to oversee and manage client moneys and *Payroll* and *Insurance* programs.

In particular, MIRE and his co-conspirators, through the PEO entities, referred to herein as the *relevant PEOs*, contracted and agreed with clients to: (a) provide *Payroll Services* ("Payroll"), that is, to withhold, collect, and process all payroll taxes and other lawful deductions and withholdings from payroll; (b) comply with all appropriate state and federal laws relating to reporting payroll taxes, sponsoring, filing and maintaining benefit, welfare and other plans, and (c) obtain and provide *Worker's Compensation Insurance* (WCI).

This was not always done. Moreover, it was the pattern and practice of the *scheme* not to do so. Instead, MIRE and his co-conspirators corruptly misapplied client money and withholdings for their personal benefit and the benefit of others.

In doing so, MIRE and his co-conspirators, all collectively referred to herein as the *conspirators*, engaged in a deliberate, purposeful and calculated pattern and course of conduct of fraud and deceit, wherein they caused to be made false and misleading statements, material omissions, breached fiduciary duties, falsified records and concocted bogus documents, all in an effort to (a) mislead and deceive their clients; (b) advance their corrupt *scheme*; and (c) enrich themselves. Inherent to the *scheme* are two mail fraud *Conspiracies*: one involves *Workers Compensation Insurance*, while the other relates to the matter of *Payroll* and *Tax Services*. During the course of the *Conspiracies* and the *Scheme and Artifice to Defraud*, defendants violated federal laws relating to mail fraud, conspiracy to commit mail fraud, money laundering and conspiracy to commit money laundering.

B. General Information and Allegations

1. The Defendant

Defendant PATRICK G. MIRE was a resident of San Antonio, Texas. Beginning in at least 2002 and continuing through at least December 2007, defendant was employed in various capacities, and ownership and management roles, for the *relevant PEOs*.

2. The Relevant PEOs

From at least 1995 through at least 2007, the Defendant and/or his co-conspirators operated PEO's using many different business names. The names and identities of the relevant PEO business enterprises included:

1. United Capital Investment Group, Inc. (also known as Service Professionals),
2. Service Professionals, Inc. (also known as SSI Management Group, Inc.),
3. AK of Nevada, Inc. (also known as Employer Liability Services, Inc.),
4. Safe Staff, Inc. (also known as Service Professionals of Texas),
5. United Focus, Inc. (also known as Service Professionals of Texas, Inc.),
6. ServPro of Texas, LLC,
7. Centerpoint Outsourcing, LLC,
8. Synergy Personnel, Inc., and
9. Comal Payroll Plus, Inc.

The relevant PEO's were headquartered in San Antonio, Texas and Texas generally. Generally, the PEO's employed the same staffs, enjoyed the same client base, and maintained a home business address in San Antonio, Texas of 12000 and 12001 Network Boulevard. In addition, the PEO's maintained satellite offices outside of the San Antonio area. It was the pattern and practice of the scheme that the PEO's morphed from one legal entity to the next, while the trade name of the enterprise remained unchanged or overlapped. Client companies, familiar with the more commonly employed enterprise trade name often did not realize that a PEO had transitioned into a new "legal entity." The greater encompassing trade name of "Service Professionals" is used herein in this indictment when referring to the above PEO entities.

3. The Insurance Entities

a. *Financial Insurance Company of America* (FICA) was an insurance company licensed in the State of Texas to write *worker's compensation insurance* policies (WCI). In 2005, FICA was placed into a permanent receivership status by the Texas Department of Insurance (TDI) and was not thereafter authorized to write insurance policies in Texas.

b. *Global Assurance Associates, Inc.* (GAA) was a duly formed corporation, registered in the State of California in 2003. At all times relevant to this indictment, GAA was not licensed to provide WCI in the State of Texas. It did not sell insurance to MIRE and the relevant PEOs in Texas.

c. *Global Assurance, Inc.* (GAI) was a duly formed corporation, registered in the State of Louisiana. It was not authorized and did not agree to provide Hartford WCI to MIRE and the relevant PEOs.

d. *Global Assurance, Corp. (GAC)* was not a duly formed corporation and was not registered in the State of Texas. It was not licensed to sell insurance or otherwise authorized to provide WCI in the State of Texas. It did not sell WCI to MIRE and MIRE related PEOs in the State of Texas. GAC was a phantom entity. It did not exist. GAC did not represent the *Hartford Underwriter's Insurance Company*. It was not an agent for the *Hartford Underwriter's Insurance Company.*

e. The *Hartford Financial Services Group, Inc.* is the parent company of the Hartford family of companies, including the *Hartford Underwriter's Insurance Company* (the "Hartford"). The Hartford is duly registered in the State of Delaware and is domiciled in the State of Connecticut. The Hartford, through the *Hartford Underwriter's Insurance Company*, is licensed to sell WCI in the State of Texas. The Hartford: (1) did not issue a WCI policy to the relevant PEOs and their client companies as is claimed by MIRE, and at MIRE'S direction, in the bogus "Hartford" *Certificates of Liability Insurance*, referred to herein; (2) did not authorize the issuance of the "Hartford" *Certificates of Liability Insurance* by the relevant PEOs to their respective client companies; and (3) was not represented by *Global Assurance, Corp.* (GAC) in matters of WCI.

4. Definitions

Professional Employer Organization / "Staff Leasing Company"

a. *Staff Leasing Services* means an arrangement by which employees of a license holder work at a client company and employment responsibilities are in fact shared by the license holder and the client company. The employee's assignment is intended to be of a long-term or continuing nature. Each entity which offers *staff leasing services* is subject to the rules and regulations of the State of Texas as administered by the Texas Department of Licensing and Regulation (TDLR).

b. *Staff Leasing Services Company* means a business entity that offers *staff leasing services*. In essence, as a concept, the staff leasing services company *adopts* the employees of the client company as its own. Staff Leasing Services Companies include *Professional Employer Organizations* (PEOs). In order to provide staff leasing services, a staff leasing company is required to have a license issued by the Texas Department of Licensing and Regulation (TDLR).

c. *Professional Employer Organizations* (PEOs) are *staff leasing services companies* which provide human resources and *payroll* related services to client companies. In particular, PEOs administer client *Payroll*, withhold and remit *Payroll Taxes* on behalf of client employees and sometimes offer WCI for clients through *authorized* and *licensed* insurance providers. For practical purposes, employees of a client company are considered to be "co-employees" of both the client company and the PEO.

d. The *Texas Department of Licensing and Regulation* (TDLR) regulates *staff leasing services* and PEOs.

e. *License Holder* means a person (entity) licensed under Chapter 91 of the Texas Labor Code to provide Staff Leasing Services. A person may not engage in or offer *staff leasing services* in Texas unless they hold a license issued under Chapter 91 of the Texas Labor Code.

f. *Client Company* means a person (entity) that contracts with a license holder, the PEO, and is assigned employees by the license holder under the contract. *Client Company* is also referred to herein as *client*.

g. *Staff Leasing Services Agreement* means an arrangement by which employees of a license holder, in the instant context, a PEO, are assigned to work at a client company and in which employment responsibilities are in fact shared by the PEO and the client company. The employee's assignment is intended to be of a long term or a continuing nature, rather than temporary or seasonal in nature, and a majority of the work force at a client company worksite or a specialized group within that workforce consists of assigned employees of the license holder.

Workers Compensation Insurance

a. *Workers' Compensation Insurance* (WCI) is a state-regulated insurance program that pays medical bills and replaces a portion of lost wages when employees are injured at work or have a work-related illness. PEOs often include WCI among their package of services and benefits offered to client companies.

b. A *Certificate of Liability Insurance* constitutes proof of the existence of *worker's compensation insurance* coverage for the license holder (PEO) and the client company with respect to employees of the license holder assigned to the client company. Certificates are generated or produced through the insurer or entities *authorized* by the insurer. They are often required to be produced at job sites before work is allowed to commence. The certificate may identify or include the: (1) name of the insurance company; (2) insurance program; (3) effective dates of coverage; (4) policy number; (5) identity of the agent, broker or producer, and (6) name, signature and identifiers of the authorized representative.

c. The *Texas Department of Insurance* (TDI) regulates the state's insurance industry. Texas law requires insurers and insurance related businesses to be *licensed* before selling their products and services. The TDI licenses insurance companies, agents and third-party administrators.

d. The TDI *Division of Worker's Compensation* (DWC) regulates the state's insurance programs to compensate employees for work related injuries and illnesses. A PEO in Texas may elect to obtain WCI through an approved insurance company, as defined and regulated by the state of Texas or through self-insurance as defined and regulated through the *Texas Worker's Compensation Act* (TWCA).

e. A PEO license holder may: (1) elect to obtain worker's compensation insurance coverage for the license holder's assigned employees through an insurance company, as defined under Texas law; (2) *self insure*, as regulated and provided for under Texas law; or (3) elect not to obtain workers compensation, as regulated and provided for under Texas law.

f. *Insurance Company* means an entity *authorized* and admitted by the TDI to do insurance business in Texas under a certificate of authority that includes authorization to write WCI.

g. An employer, PEO license holder, who desires to *self-insure* must submit an application to the *Division of Self-Insurance Regulation.* During the pendency of the approval or denial of the application, the applicant may not operate as a self-insurer.

h. In the State of Texas, PEOs, when agreeing to provide WCI, must do so from an *authorized* insurance carrier.

5. Payroll Services and Tax Withholdings

a. *Payroll* services include the preparation and filing of federal and state employment tax returns and the collection and payment of said employment taxes to the relevant federal and state taxing agencies.

b. The Internal Revenue Service ("IRS") was a constituent agency of the United States Department of Treasury responsible for administering and enforcing the tax laws of the United States by its citizens and residents.

c. The relevant PEOs were obligated by their contractual agreements to withhold, report, and pay-over employment taxes to the IRS.

d. *Federal Income Tax Withholding* ("withholding taxes") and *Federal Insurance Contribution* Act taxes ("FICA taxes") constitute "employment taxes."

(1) *Withholding Taxes*

In general, an employer must deduct and withhold income tax on the amount of wages that are actually or constructively paid to its employees, and pay over those withholding taxes to the IRS.

(2) *FICA Taxes*

FICA taxes are comprised of two elements: *old-age, survivor* and *disability* insurance, which is commonly referred to as *Social Security*, and *hospital insurance*, which is commonly referred to as *Medicare*. *Social Security* taxes are used to fund retirement and disability benefits, while *Medicare* taxes provide health and medical benefits for the aged and disabled. An employer must deduct FICA taxes on the amount of wages that are actually or constructively paid to its employees, and pay over those FICA taxes to the IRS.

Moreover, the IRS requires that an employer report employment taxes on an *Employer's Quarterly Federal Tax Return*, Form 941. The Form 941 is generally filed quarterly and due one month after the conclusion of each quarter. An employer, the PEO, must pay over employment taxes to the IRS in-full by the due date of the Form 941. The Form 941 summarizes the total wages and total *Withholdings* of income tax, *Social Security* tax and *Medicare* tax for the quarter, including the amount of each tax deposit. A contract between a license holder / PEO and a client company often provides that the license holder assumes responsibility for the collection and remittance of employment taxes (payroll taxes) from payroll on assigned employees.

6. Background and Context of the Conspiracies and Scheme and Artifice to Defraud

The Matter of WCI

a. The subject PEOs did not submit an application for *self-insurance* to the *Division of Self-Insurance Regulation*. The Texas *Division of Self-Insurance Regulation* and TDI did not authorize or approve self-insurance for the relevant PEOs referred to herein.

b. *GAC* was not authorized as an insurance company or insurance company representative in the State of Texas.

c. MIRE, beginning in 2002, was the general manager of *Service Professionals*. He remained in management and ownership capacities until at least late 2007. *Service Professionals* offered to its clients *Payroll* and *Human Resource* services, as well as WCI. Under MIRE, in 2005, *Service Professionals* was responsible for an annual payroll of approximately $100,000,000. As general manager, MIRE was familiar with matters of *Payroll* and WCI. WCI was the "single-most important 'service' which Service Professionals provide[d]

[to] its [clients] . . . " In his capacity as general manager, MIRE was actively involved in issues relating to the procurement and status of WCI.

The Matter of *Payroll* Services

d. From approximately January 1, 2002 through at least December 2007, the relevant PEOs maintained a client base which ranged, generally, between approximately 150 and 200 client companies. The PEOs, at times, managed payroll accounts for more than 5,000 workers representing approximately $100,000,000 in annual payroll salaries. Exclusive of *Centerpoint*, the withheld Taxes and FICA taxes - the *employment taxes*, are estimated to be approximately $19,300,000, $13,800,000, $23,400,000, $24,200,000, $16,000,000 and $12,500,000 for tax reporting years 2002, 2003, 2004, 2005, 2006, and 2007, respectively. Though withheld from employee paychecks, the *employment taxes* were not remitted to the United States Department of Treasury, as the PEOs were obligated to do, and moreover, it was the pattern and practice of the *scheme* not to do so.

C. **The Manner and Means of the Conspiracies and the Scheme and Artifice to Defraud**

Among the Manner and Means which the Conspirators utilized, directly and indirectly, to carry out their *Conspiracies* and corrupt *Scheme and Artifice to Defraud* include the following:

The Staff Leasing Agreements

1. Conspirators solicited clients and entered into *staff leasing agreements* with client companies;

2. Conspirators were entrusted with client company and worker/employee money and pursuant to the *staff leasing agreements* withheld money and funds from worker/employee payroll checks;

Workers Compensation Insurance (WCI)

3. Conspirators made untrue statements of material facts and otherwise provided untrue, deceptive and misleading information with respect to the matter of WCI, wherein,

a. representations were made to client companies, through *staff leasing agreements*, correspondence and in conversation, that WCI would be provided, and that it was in-fact provided, to the client company and client company worker/employees;

b. the cost of a legitimate WCI coverage was factored in and considered as expense and cost items by the PEO and client company, respectively, when agreeing upon a compensation or cost figure for the *staff leasing agreement* package of benefits. Client Companies were mislead into believing that they received a product (WCI) which they paid for but did not exist;

c. contrary to representations, the relevant PEOs did not always obtain and provide WCI and moreover, it was the pattern and practice not to do so; and

d. Conspirators and the relevant PEOs, by virtue of the *staff leasing agreements*, fraudulently received, converted and misapplied the money, funds and credit of the client companies with whom they contracted.

The Cover

4. Conspirators made untrue statements of material facts and otherwise provided false, deceptive and misleading information with respect to the matter of WCI, wherein,

a. Conspirators caused client companies and client company workers and employees to believe that WCI had been obtained, when in fact, as conspirators well knew, WCI policies did not always exist; and

b. Conspirators and PEO staff employees fabricated, and caused to be fabricated, bogus Hartford *Certificates of Liability Insurance*, which recited a phantom entity, GAC, as a producer and agent of the claimed yet non-existent WCI policy. Wherein said *Certificates* falsely represented *Hartford Underwriters Insurance Company* as the insurance company affording WCI coverage, when in fact, the *Hartford* did not authorize or afford WCI to the respective PEOs, their clients, or workers and employees, and further, the *Hartford* had no knowledge of said fraudulent representations;

The Global Assurance Component to the WCI fraud scheme

5. Conspirators made untrue statements of material facts and otherwise provided untrue, deceptive and misleading information with respect to the matter of WCI, wherein,

a. Conspirators and PEO staff employees created the illusion that a company, GAC, did exist and that in a capacity as a producer and agent represented the *Hartford* in matters of insurance, when in fact, no authority was given and moreover, GAC did not exist as a legal or insurance entity in the State of Texas;

b. Conspirators and PEO staff employees caused to be installed a *dedicated GAC* "hello" telephone line at the conspirators' PEO entity's home office located at 12000 and 12001 Network Boulevard, San Antonio, Texas. Said dedicated line was put in-place to falsely create the illusion to the caller that the caller was communicating with a *GAC* representative of the *Hartford*, which was, in fact, not true;

c. Conspirators offered instruction and direction to PEO staff personnel regarding the use of the dedicated *GAC* "hello" line and thereby caused callers to be deceived and mislead;

d. Conspirators and PEO staff employees delivered, and caused to be delivered, to client companies and client company workers/employees bogus Hartford *Certificates of Liability Insurance*, which certificates recited *GAC* as a producer and contact of the *Hartford*, which was, in fact, not true; and

e. Conspirators and PEO staff employees manufactured, and caused to be manufactured, *GAC* letterhead and stationary, which was intended for use in communications with client companies and others, and to, in turn, fraudulently mislead said client companies and others into believing that they were communicating with *GAC*, which was, in fact, not true.

Payroll Services

6. Conspirators made untrue statements of material facts and otherwise provided false, deceptive and misleading information with respect to the matter of Payroll, wherein,

a. Conspirators entered into *staff leasing agreements* with client companies to provide *payroll services* as described herein;

b. Conspirators, pursuant to and under the authority of the *staff leasing agreements*, received client company money, funds and credit in order to ostensibly provide *payroll services* for the client companies, as further described herein in this indictment;

c. Conspirators withheld and caused to be withheld from client company employee paychecks employment taxes to be remitted to the IRS;

d. Conspirators received from client companies money, funds and credit to be remitted to the IRS representing the employer-matching of the FICA taxes withheld from employee paychecks,; and

e. Conspirators, contrary to what they were obligated to do, did not remit the funds held in trust, as described above in (c) and (d), to the IRS and instead corruptly misapplied the moneys received from the client companies in order to unjustly enrich themselves and others.

D. The Execution of the Conspiracies and the Scheme and Artifice to Defraud

The Execution of the *Scheme and Artifice to Defraud* is set forth in Counts One through Twenty-Four of this indictment and those other acts and conduct as presented in Paragraphs A, B and C of the Introduction to this indictment.

COUNT ONE
18 U.S.C. § 1349
Mail Fraud Conspiracy
(The Fraudulent *Hartford* Certificates of Liability Insurance)

Paragraphs A, B and C of the Introduction to this indictment are realleged and incorporated by reference herein.

From in or about 2005 through at least December 2007, in the Western District of Texas, and elsewhere, the Defendant,

PATRICK G. MIRE

did knowingly and willfully combine, conspire, confederate and agree with others, known and unknown to the grand jury, to devise a *Scheme* and *Artifice to Defraud* (the *scheme*) and to obtain money by means of false and fraudulent pretenses, representations and promises, as more fully described herein in Paragraphs A, B and C to the Introduction of this indictment, and for the purpose of executing said *scheme*, or attempting to do so, by means of the United States Postal Service, knowingly caused to be sent and delivered by the relevant PEOs to client companies, and in the interest of client companies, mail matter, that is, fraudulent Hartford *Certificates of*

Liability Insurance, in violation of Title 18, United States Code, Section 1341 (Mail Fraud), and all in violation of Title 18, United States Code, Section 1349 (Conspiracy to Commit Mail Fraud).

The *Scheme and Artifice to Defraud* was executed through the individual mailings of the fraudulent *Certificates of Liability Insurance* by the relevant PEOs to client companies, and in the interest of client companies, as set forth in Counts Three through Eleven of this indictment and which conduct is more fully described in Paragraphs A, B and C of the Introduction to this indictment.

COUNT TWO
18 U.S.C. § 1349
Mail Fraud Conspiracy
(Fraud Relating to Payroll Services)

Paragraphs A, B and C of the Introduction to this indictment are realleged and incorporated by reference herein.

From in or about 2002 through at least December 2007, in the Western District of Texas, and elsewhere, the Defendant,

PATRICK G. MIRE

did knowingly and willfully combine, conspire, confederate and agree with others, known and unknown to the grand jury, to devise a *Scheme* and *Artifice to Defraud* (the *scheme*) and to obtain money by means of false and fraudulent pretenses, representations and promises, as more fully described herein in Paragraphs A, B and C to the Introduction of this indictment, and for the purpose of executing said *scheme*, or attempting to do so, by means of private or commercial interstate carrier, namely, *FedEx Corporation*, more commonly known as Federal Express and

FedEx, pursuant to the staff leasing agreements, knowingly caused to be sent and delivered to the relevant PEOs by client companies mail matter, namely, checks which represented payments by clients to *Service Professionals,* and which said checks were induced by fraud, wherein employment taxes and employer-matching of the FICA taxes were not remitted to the government, as contracted for in the staff leasing agreements, but instead were corruptly misapplied, in violation of Title 18, United States Code, Section 1341 (Mail Fraud), and all in violation of Title 18, United States Code, Section 1349 (Conspiracy to Commit Mail Fraud).

The *Scheme and Artifice to Defraud* was executed through the individual mailings as set forth in Counts Twelve through Twenty-Four of this indictment and which conduct is more fully described in Paragraphs A, B and C of the Introduction to this indictment.

COUNTS THREE THROUGH TWENTY-FOUR
[18 U.S.C. § 1341]
Mail Fraud

Paragraphs A, B and C of the Introduction to this indictment are realleged and incorporated by reference herein.

On or about the dates specified below, in the Western District of Texas and elsewhere, the Defendant,

PATRICK G. MIRE,

having devised the above described *Scheme and Artifice to Defraud* and to obtain money and property by means of material false and fraudulent pretenses, representations and promises, for the purpose of executing and attempting to execute the above described *Scheme and Artifice to Defraud*, did knowingly deposit and cause to be deposited the matters and things listed below, to be sent or delivered by the United States Postal Service or by any private and commercial interstate carrier the following:

Mailings Related to the Fraudulent Hartford Certificates of Liability

Count	**Date**	**Mail Matter**
3	March 16, 2006	Certificate of Insurance from "Producer" Global Assurance, Corp, sent by the United States Postal Service, to Mr. Steel, Inc.
4	March 24, 2006	Certificate of Insurance from "Producer" Global Assurance, Corp, sent by the United States Postal Service, to Apple Personnel, Inc.
5	November 21, 2006	Certificate of Insurance from "Producer" Global Assurance, Corp, sent by the United States Postal Service, to Rittenbury Acoustical & Drywall, Inc.
6	December 26, 2006	Certificate of Insurance from "Producer" Global Assurance, Corp, sent by the United States Postal Service, to Boyd, Inc.
7	January 8, 2007	Certificate of Insurance from "Producer" Global Assurance, Corp, sent by the United States Postal Service, to Elite Metal Fabricators.
8	January 9, 2007	Certificate of Insurance from "Producer" Global Assurance, Corp, sent by the United States Postal Service, to Nielco Steel Warehouse, Inc.
9	January 24, 2007	Certificate of Insurance from "Producer" Global Assurance, Corp, sent by the United States Postal Service, to Boyd, Inc.
10	April 2, 2007	Certificate of Insurance from "Producer" Global Assurance, Corp, sent by the United States Postal Service, to Elite Metal Fabricators.
11	August 20, 2007	Certificate of Insurance from "Producer" Global Assurance, Corp, sent by the United States Postal Service, to Rittenbury Acoustical & Drywall, Inc.

Mailings Related to Payroll Services and Client Checks Made Payable to *Service Professionals*

Count	Client	Date of Check Check Number Amount of Check	Delivered by / Carrier
12	Mr. Steel, Inc.	April 12, 2006 No. 5285 $40,462.13	Federal Express
13	Elite Metal Fabricators, Inc.	April 13, 2006 No. 6098 $14,749.53	Federal Express
14	Nielco Steel Warehouse, Inc.	April 28, 2006 No. 8148 $31,334.86	Federal Express
15	Mr. Steel, Inc.	May 3, 2006 No. 5326 $39,227.49	Federal Express
16	Elite Metal Fabricators, Inc.	May 4, 2006 No. 6181 $12,586.20	Federal Express
17	Elite Metal Fabricators, Inc.	May 11, 2006 No. 6190 $12,579.23	Federal Express
18	Boyd, Inc.	May 25, 2006 No. 14405 $12,564.56	Federal Express
19	Nielco Steel Warehouse, Inc.	May 26, 2006 No. 8194 $31,010.27	Federal Express
20	Mr. Steel, Inc.	May 31, 2006 No. 5382 $42,984.04	Federal Express
21	Boyd, Inc.	June 8, 2006 No. 14448 $13,029.26	Federal Express

22	Nielco Steel Warehouse, Inc.	June 22, 2006 No. 8229 $31,436.84	Federal Express
23	Boyd, Inc.	November 8, 2007 No. 16234 $17,692.70	Federal Express
24	Elite Metal Fabricators, Inc.	November 8, 2007 No. 7374 $19,798.47	Federal Express

All in violation of Title 18, United States Code, Section 1341.

COUNT TWENTY-FIVE
[18 U.S.C. 1956(h)]
Money Laundering Conspiracy

Paragraphs A, B and C of the Introduction to this indictment and Counts Three through Twenty-Four are realleged and incorporated by reference herein.

That from on or about 2002 through at least December 2007, in the Western District of Texas, the state of Texas, and elsewhere, Defendant,

PATRICK G. MIRE,

and others known and unknown to the grand jury, knowingly combined, conspired, confederated and agreed together and with each other, to commit offenses against the United States, that is, to engage in monetary transactions by, through, and to financial institutions, all affecting interstate commerce, in criminally derived property of a value greater than $10,000, in violation of Title 18, United States Code, Section 1957, which money was derived from a specified unlawful activity, namely, Mail Fraud in violation of Title 18, United States Code, Section 1341, all in violation of Title 18, United States Code, Section 1956(h).

OVERT ACTS OF THE THE MONEY LAUNDERING CONSPIRACY

The *Overt Acts* of the Money Laundering Conspiracy, and the manner and means used to accomplish the objectives of the Money Laundering Conspiracy include, among other acts, Paragraphs A, B and C of the Introduction to this indictment and Counts Twenty-Six through Twenty-Nine (Money Laundering) to this indictment.

COUNTS TWENTY-SIX THROUGH TWENTY-NINE
18 U.S.C. § 1957
Money Laundering

Paragraphs A, B and C of the Introduction to this indictment and Counts One through Twenty-Four are all realleged and incorporated by reference herein.

From in or about January 2005 through in or about December 2007, and the approximate dates as set forth below, in the Western District of Texas, and elsewhere, the Defendant,

PATRICK G. MIRE,

knowingly engaged or attempted to engage in monetary transactions by, through, and to financial institutions, all affecting interstate commerce, in criminally derived property of a value greater than $10,000 and that was derived from a specified unlawful activity, that is Mail Fraud in violation of Title 18, United States Code, Section 1341,

Count	Date	Transaction	Amount	From Account
26	May 23, 2006	Transfer to Pat Mire Bank of America Account # ending in 1619	$220,000	Patrick Mire Bank of America account ending in 290
27	May 25, 2006	Check #1173 written to CenterPoint Outsourcing, deposited into an account # ending in 3365	$100,000	Patrick Mire Bank of America account ending in 290
28	May 25, 2006	Check #1174 written to Synergy Personnel, deposited into an account # ending in 4731	$125,258.20	Patrick Mire Bank of America account ending in 290
29	May 25, 2006	Wire Transfer to an Accountex account # ending in 0375	$100,000	CenterPoint Outsourcing account ending in 3365

all in violation of Title 18, United States Code, Section 1957.

NOTICE OF UNITED STATES OF AMERICA'S DEMAND FOR FORFEITURE

I.

Conspiracy to Commit Mail Fraud Violations and Forfeiture Statutes
[Title 18 U.S.C. §§ 1341, 1349 and 981(a)(1)(C), made applicable by Title 28 U.S.C. § 2461, *see* Fed. R. Crim. P. 32.2]

As a result of the foregoing criminal violations set forth in Counts One through Twenty-Nine, which are punishable by imprisonment for more than one year, DEFENDANT PATRICK G. MIRE shall forfeit to the United States the below-described personal property pursuant to Title 18 U.S.C. § 981(a)(1)(C), which states the following:

Title 18 U.S.C. § 981

(a)(1) The following property is subject to forfeiture to the United States:

(C) Any property, real or personal, which constitutes or is derived from proceeds traceable to a violation of section . . . of this title or any offense constituting "specified unlawful activity" (as defined in section 1956(c)(7) of this title), or a conspiracy to commit such offense.

II.
Money Laundering Violations and Forfeiture Statutes
[Title 18 U.S.C. §§ 1957 and 982(a)(1), *see* Fed. R. Crim. P. 32.2]

As a result of the foregoing criminal violations set forth in One through Twenty-Nine, which are punishable by imprisonment for more than one year, DEFENDANT PATRICK G. MIRE shall forfeit to the United States the below-described personal property pursuant to Title 18 U.S.C. § 982(a)(1), which states the following:

> **Title 18 U.S.C. § 982**
> **(a)(1)** The court, in imposing sentence on a person convicted of an offense in violation of section 1957 . . . of this title, shall order that the person forfeit to the United States any property, real or personal, involved in such offense, or any property traceable to such property.

This Notice of Demand for Forfeiture includes but is not limited to the property described below.

III.
Money Judgment

All right, title and interest of DEFENDANT PATRICK G. MIRE in the following money judgment is subject to forfeiture to the United States of America:

> A sum of money equal to Sixty Five Million, Nine hundred and Ninety-three Thousand, Three Hundred and Forty-Four Dollars and Fifty-Two Cents ($65,993,344.52), representing the amount of proceeds involved in or traceable to violations, or which constitutes or is derived from proceeds traceable to violations set out in the above-described Counts for which DEFENDANT PATRICK G. MIRE is liable.

IV.
Substitute Assets

If any of the property described in paragraphs I, II or III as being subject to forfeiture for violations of Title 18 U.S.C. §§ 1341, 1349, and 1957, and subject to forfeiture pursuant to Title 18 U.S.C. §§ 982(a)(1) and 981(a)(1)(C), made applicable by Title 28 U.S.C. § 2461, and, as a result of any act or omission of DEFENDANT PATRICK G. MIRE:

a. cannot be located upon the exercise of due diligence
b. has been transferred or sold to, or deposited with, a third person;
c. has been placed beyond the jurisdiction of the Court;
d. has been substantially diminished in value; or
e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States of America to seek the forfeiture of any other property of DEFENDANT PATRICK G. MIRE, up to the value of said property as substitute assets pursuant to Fed. R. Crim. P. 32.2(c)(1) and Title 21 U.S.C. § 853(p).

A TRUE BILL.

[redacted]

FOREPERSON OF THE GRAND JURY

JOHN E. MURPHY
UNITED STATES ATTORNEY

BY: ______________________
THOMAS J. MCHUGH
Assistant United States Attorney